

MEMORANDUM

TO: Commissioners Hardy, Hadley, Landis, Server and Ziegner

FROM: Jerry L. Webb, Director of Gas/Water/Sewer Division

DATE: February 16, 2006

RE: Utility Articles for Next Conference

The following Final Articles A, C, G, M and Preliminary Articles A are submitted to each of you to acquaint you with the tariffs eligible for action or acceptance on or after February 22, 2006.

“A” Final

The following new miscellaneous items will be eligible for final consideration at the next Commission Conference and based upon a review of them by staff members of the Commission, I recommend approval.

1. Communications Corporation of Indiana

The Utility is proposing a Local Service Access Line Temporary Rate Reduction (“Temporary Rate Reduction”) to increase customer satisfaction, to standardize pricing, and to respond to competition. Communications Corporation of Indiana (“CCI”) has residential rates that are among the highest in the state of Indiana and has differing rates among its exchanges. One reason the local rates of the Clayton and Whitestown exchanges (\$27.48) are high is because customers enjoy unlimited calling into the Indianapolis Metro Area in lieu of paying long distance charges. After the Temporary Rate Reduction, residential rates for five of its exchanges will be equal. CCI cited wireless, cable telephony, VoIP, and CLECS as current or potential competitors. CCI has indicated it experienced 165 disconnects in 2005 that were directly attributable to customers switching to a competitor and has incurred a 1% reduction in access lines from 2004 – 2005. It also indicated the Clayton Exchange lost 3% of its access lines during a 12-month period, despite significant growth in new homes.

The table below identifies the current and proposed Residential Rates (R1) and Business Rates (B1), including the Subscriber Line Charge (SLC). Services such as payphone access lines, business key systems, ISDN and Foreign Exchange are also being temporarily reduced by varying amounts.

Exchange	Service	Current Rate	State SLC	Total Current Rate	Proposed Temporary Rate Reduction	Total Proposed Rate
Clayton	R1	\$23.10	\$4.38	\$27.48	(\$7.53)	\$19.95
	B1	\$39.30	\$4.38	\$43.68	(\$10.30)	\$33.38
Whitestown	R1	\$23.10	\$4.38	\$27.48	(\$7.53)	\$19.95
	B1	\$39.30	\$4.38	\$43.68	(\$10.30)	\$33.38
Filmore	R1	\$16.80	\$4.38	\$21.18	(\$1.23)	\$19.95
New Ross	R1	\$18.80	\$4.38	\$23.18	(\$3.23)	\$19.95
	B1	\$25.30	\$4.38	\$29.68	(\$2.50)	\$27.18
Roachdale	R1	\$18.80	\$4.38	\$23.18	(\$3.23)	\$19.95
	B1	\$25.30	\$4.38	\$29.68	(\$2.50)	\$27.18

The tariff filing provides that the Temporary Rate Reduction will expire on July 1, 2006. However, the duration of the proposed Temporary Rate Reduction will depend in part on the implementation date of the Settlement Agreement that implements the new Indiana Universal Service Fund (“IUSF”) established via Cause No. 42144. The Settlement Agreement in Cause No. 42144 establishes a qualification test to be used for determining the Rural Local Exchange Carriers (“RLECs”) IUSF disbursement eligibility amount. An RLEC’s IUSF disbursement eligibility amount will be directly reduced by the

amount of that RLEC's calculated revenue surplus. Section 20 of the Settlement Agreement gives RLECs the ability to request a variance from the IUSF calculations.

In conjunction with the implementation of the new IUSF, CCI will make a Section 20 filing requesting that its revenue surplus be adjusted by the local revenue reduction from the Temporary Rate Reduction. If the Section 20 Filing is approved prior to July 1, 2006, CCI agrees to make the Temporary Rate Reduction permanent by filing rates at the local service net amount. CCI will consider extending the expiration date if either the Section 20 Filing is still pending on July 1, 2006 or the IUSF has yet to be implemented as of July 1, 2006. To extend the July 1, 2006 expiration date, CCI will submit a new 30-Day Filing.

CCI estimates that the Temporary Rate Reduction will result in a decrease in annual local revenues of \$747,270.

The tariff sheet affected by the filing is:

IURC No. 1, Section 4, Sheet 5.

2. Home Telephone Company of Pittsboro, Inc.

The Utility is proposing a Local Service Access Line Temporary Rate Reduction ("Temporary Rate Reduction") to increase customer satisfaction and to respond to competition. Home Telephone Company of Pittsboro, Inc. ("Home-Pittsboro") has residential rates that are among the highest in the state of Indiana. One reason the local rates are high is because customers enjoy unlimited calling into the Indianapolis Metro Area in lieu of paying long distance charges. Home-Pittsboro cited wireless, cable telephony, VoIP, and CLECS as current or potential competitors. Home-Pittsboro indicated it has lost 1% of its access lines during a 12-month period, despite significant growth in new homes.

The table below identifies the current and proposed Residential Rates (R1) and Business Rates (B1), including the Subscriber Line Charge (SLC). Services such as payphone access lines, business key systems, ISDN and Foreign Exchange are also being reduced by varying amounts.

Exchange	Service	Current Rate	State SLC	Total Current Rate	Proposed Temporary Rate Reduction	Total Proposed Rate
Pittsboro	R1	\$23.80	\$4.00	\$27.80	(\$2.85)	\$24.95
	B1	\$39.20	\$4.00	\$43.20	(\$5.80)	\$37.40

The tariff filing provides that the Temporary Rate Reduction will expire on July 1, 2006. However, the duration of the proposed Temporary Rate Reduction will depend in part on the implementation date of the Settlement Agreement that implements the new Indiana Universal Service Fund ("IUSF") established via Cause No. 42144. The Settlement Agreement in Cause No. 42144 establishes a qualification test to be used for determining the Rural Local Exchange Carriers ("RLECs") IUSF disbursement eligibility amount. An RLEC's IUSF disbursement eligibility amount will be directly reduced by the

amount of that RLEC's calculated revenue surplus. Section 20 of the Settlement Agreement gives RLECs the ability to request a variance from the IUSF calculations.

In conjunction with the implementation of the new IUSF, Home-Pittsboro will make a Section 20 filing requesting that its revenue surplus be adjusted by the local revenue reduction from the Temporary Rate Reduction. If the Section 20 Filing is approved prior to July 1, 2006, Home-Pittsboro agrees to make the Temporary Rate Reduction permanent by filing rates at the local service net amount. Home-Pittsboro will consider extending the expiration date if either the Section 20 Filing is still pending on July 1, 2006 or the IUSF has yet to be implemented as of July 1, 2006. To extend the July 1, 2006 expiration date, Home-Pittsboro will submit a new 30-Day Filing.

Home-Pittsboro estimates that the Temporary Rate Reduction will result in a decrease in annual local revenues of \$100,124.

The tariff sheet affected by the filing is:

IURC No.1, Section 1, Sheet 1

3. PSI Energy

The utility seeks Commission approval of a change to the availability section of Standard Contract Rider No. 57, Net Metering. This change, if approved, will allow PSI, at its discretion, to provide net metering under Rider No. 57 to customers who may not otherwise be eligible for net metering. There are no other changes to the net metering rider.

The tariff sheet affected by this filing is:

Sheet No. 57 (2 pages).

“C” Finals

In order to maintain parity and be in compliance with the Commission's Final Order in Cause No. 39369 issued June 2, 1993, the following local exchange carriers have filed intrastate access parity tariffs mirroring their respective interstate equivalent. The requirements prescribed for this filing in Commission Order No. 39369 have been carried out and I recommend approval.

Federal Communications Commission

<u>Item</u>	<u>Local Exchange Carrier</u>	<u>Transmittal Number</u>	<u>File Date</u>	<u>Effective Date</u>
1.	IBT d/b/a SBC Indiana	1527	01-19-06	02-03-06
2.	Communications Corp of Ind.	1104	01-05-06	01-20-06
3.	Communications Corp of Ind.	1106	01-17-06	02-01-06
4.	Communications Corp of Ind.	1107	01-17-06	02-01-06

"G" Final

Revisions to the Fuel Cost Adjustment factor have been reviewed by staff members of the Commission and found to be in compliance with the orders of the Commission. The requirements prescribed for these filings in Commission Order No. 35687 have been met and I recommend approval.

<u>Item</u>	<u>Utility</u>	<u>Change</u>	<u>Filing Number</u>
1.	Jackson Co. REMC*	Increase	20-06-01
2.	Straughn	Increase	111-06-02

* Note: This is the first fuel adjustment tracker Jackson County REMC has received from Hoosier Energy.

“M” Final

A revision to the power cost tracker for electric utilities has been reviewed by staff members of the Commission and found to be in compliance with the orders of the Commission. The requirements prescribed for these filings in Commission Order No. 40095 have been met and I recommend approval.

<u>Item</u>	<u>Utility</u>	<u>Rate Schedule</u>	<u>Change \$/kWh</u>	<u>Resultant \$/kWh</u>	<u>Filing #</u>
1.	Mishawaka Municipal	Residential	0.002264	0.003223	43
		Commercial	0.002621	0.003283	
		Commercial Power	0.002482	0.003224	
		Comm. Elec. Heat	0.001790	0.004479	
		Municipal	0.002254	0.003193	

Please indicate your consideration and action of all the preceding items on the appropriate lines provided below.

Jerry L. Webb
Director of Gas/Water/Sewer Division

I approve of all items as presented above:

I approve of all items as presented above except:

Not participating in the following items:

I, _____, Disapprove Items

No.

I, _____, Wish to Defer Items

No.

I hereby certify that the above is a true and correct copy of the action on the articles.

Brenda Howe, Acting Executive Secretary

“A” Preliminary

The following new miscellaneous items have been reviewed by staff members of the Commission and we recommend accepting them for filing.

1. Communications Corporation of Indiana d/b/a TDS Telecom

Communications Corporation of Indiana (CCI) proposes the addition of International Directory Assistance to its tariff. The charge for each Directory Assistance call to obtain international numbers will be \$1.50 with a maximum of two requested numbers per call.

CCI is also reorganizing its tariff to combine Local, National and International Directory Assistance into one comprehensive tariff called Directory Assistance. The new tariff will include definitions that will indicate what numbers qualify as local, national, and international. Individual rates for Local and National Directory Assistance will not change.

CCI is estimating monthly usage of 130 calls to Directory Assistance for international numbers, for an annual gross revenue increase projection of \$2,340.00. A cost and revenue analysis has been included with this filing.

Tariff sheets affected are:

IURC Tariff No. 1, Section 1, Sheet 4; Section 8, Sheets 1 – 2.1; Section 10, Sheets 1, 4 & 5.

2. Southern Indiana Gas and Electric Company (Electric)

The utility seeks Commission approval to reformat and reorganize its Tariff for Electric Service. The tariff has been reorganized as follows:

- Rate Schedules have been moved to the front of the tariff.
 - A standard format has been incorporated for:
 - Rates and Charges; and
 - References to applicable Appendices.
 - The term “deferred payment” has been changed to “late payment”.
 - Full sentence format has been used throughout.
- Sections for Riders and Appendices have been created, and Riders applicable to the Fuel Cost Adjustment have been moved from the General Terms and Conditions section to Appendix A.
- Appendix D (“Other Charges”) has been added, specifying charges that appear elsewhere in the existing tariff.
- The “Cogeneration and Small Power Production” tariff has been set apart in a new “Purchase Rates” section.
- General Terms and Conditions now follow the new Purchase Rates section.

- The tariff concludes with Affiliate and Cost Allocation Guidelines.
- Typographical errors have been corrected.

The utility provided a red-line version of the tariff which identified the proposed changes. Staff has reviewed the proposed tariff and found no material changes in comparison with the existing tariff. Except for regularly updated rate riders, the general rates and terms and conditions in this tariff were established in Cause No. 39871 on June 21, 1995.

3. Southern Monroe Water Corporation

The utility is proposing to increase the reconnection charge for all customers the utility renders service. This is defined as follows: When the service is turned off for nonpayment of bill, or whenever, for any reason beyond the control of the water works, a re-establishment of service is required by one customer. The proposed charge for reconnection, occurring within normal business hours, is \$65.00, up from the current charge of \$30.00. The proposed charge for reconnection, occurring outside normal business hours is \$80.00, up from the current charge of \$30.00. Normal business hours are Monday through Friday 8:00 AM to 5:00 PM. Cost support has been provided.

	Current Charge	Proposed Charge
Reconnection Charge during normal business hours	\$30.00	\$65.00
Reconnection Charge outside normal business hours	\$30.00	\$80.00

The tariff page affected by this filing is page 3 of 4.

Jerry L. Webb
Director of Gas/Water/Sewer Division